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Antin buys medical diagnostics business

Antin Infrastructure Partners has acquired a majority stake in medical diagnostic services business Amedes Group, the fund manager said on Friday (10 July).

The terms of the transaction have not been made public. However, *InfraNews* understands that Antin will acquire nearly a 100% of the asset from US-based private equity firm General Atlantic.

The sale price is expected to be in the region of EUR 700m based on a high single digit EV/EBITDA multiple and an EBITDA of circa EUR 80m, according to sources.

Antin declined to comment.

Goldman Sachs, Nomura and Credit Agricole provided acquisition financing for Antin's acquisition, according to the statement. The investment will be made via Antin's second infrastructure fund.

Amedes Group has 3,500 employees with 27 practices across Germany and Belgium which provide medical diagnostics services evaluating over 150,000 lab samples per day.

General Atlantic has been invested in the asset since December 2007. The company is understood to have pursued buy-and-build strategy opposed to a short-term hold typical of a private equity fund.

During General Atlantic's ownership Amedes has made over 30 acquisitions of medical technology businesses, the most recent being the acquisition software company MediVision in 2014.

This strategy "has more than tripled [Amedes'] revenues," according to Antin's statement. Accounts for Amedes Holding AG for 2014 have not been published.

The business' operations in Germany are understood to benefit from a price regulated market set through negotiations between the state healthcare regulator, diagnostics providers and insurance firms.

With fixed prices for tests, medical professionals have little economic incentives to switch between providers leading to near 100% repeat usage, which was attractive to Antin, according to sources.

"The market has good growth prospects due to the growing importance of diagnostics, the increase of chronic diseases and an ageing society," Antin said in its statement.

One source said that diagnostics usage in Germany is growing at a rate of 2-3% per year in line with a broader trend in European healthcare towards pro-active testing to deal with ailments earlier.

Four or five players in the German diagnostics and lab testing market hold a combined market share of circa 40% whilst 60% remains fragmented, which leaves room for further acquisitions, the source added.

The deal follows the concurrent sale processes of two fellow European diagnostics providers Labco and Synlab, both of which were acquired by European PE firm Civen in May and June respectively.



Antin acquired the business following several months of exclusive discussions with the seller, which needed to sell due its fund coming towards the end of its life, the same source said.

DC Advisory, FTI Consulting, Latham & Watkins, KPMG and Abolon advised Antin.

Goldman Sachs, Freshfields Bruckhaus Deringer, GleissLutz, Boston Consulting Group, PricewaterhouseCoopers and WTS advised General Atlantic.



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